

EMPLOYEES MOTIVATION AND RETENTION – SPECIAL EFFECTS ON NON-MONETARY REWARDS IN PRIVATE COMPANIES, CUDDALORE, TAMIL NADU

D. Elamparuthi

Assistant Professor, Department of Business Administration, Annamalai University, Chidambaram, Tamil Nadu, India

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ABSTRACT

This research is an inquiry into the impact of non-monetary compensation on employee productivity and retention in private enterprises. The key purpose is to examine the effects of non-monetary compensation, such as recognition, training, promotions and bonuses, on the performance of employees of the organisation. When employees are inspired, they develop a desire for hard work and the effect is important. Primary data have been obtained from cuddalore employees by means of questionnaires, and samples are 50 in number. The study shows that employee appreciation, management engagement, training, flexible working hours, good working conditions, status and other non-monetary incentives influence and help workers contribute to the performance of the company as they directly impact the company. The productivity of workers who are basically pushing them to work within the organisation. The research shows that workers appreciate and respect non-monetary rewards and would like to obtain the variety of benefits from the organisation. Studies say that non-financial incentives are viewed as financial incentives. As a consequence, as reported in the survey study, this can be inferred from the fact that non-financial rewards have the beneficial capacity to boost employee morale and to allow them to stay in the private company.

KEYWORDS: Non-Monetary Rewards, Incentives, Motivation, Training and Non-Cash Benefits

INTRODUCTION

Profitable and efficient management of business activities is a core goal of any business enterprise. Literature and human resource management studies have often emphasised the importance of motivational initiatives that involve incentives, appreciation, competition, employee satisfaction, achievement, success, development and work challenges, etc. Monetary and non-monetary incentives that have been built to improve employee engagement (Zaidi & Abbas, 2011). Non-monetary rewards may be intangible or tangible regardless of form. One thing is clear: it does not require direct cash compensation for employees, such as a friendly working environment, training and development.

Workplace motivators may be categorised as monetary and non-monetary incentives. Non-monetary incentives make it possible for workers to excel by offering various opportunities. It gives workers autonomy and personal respect and includes a friendly working atmosphere, flexible working hours, training, new and demanding job experiences, benefits such as free telephone calls, free petrol, minor benefits such as leave i.e. extra days off for excellent employees, pension, free lunch, health insurance. These incentives are also referred to as rewards because they fulfil the employee's internal needs, such as gratitude, self-esteem and satisfaction, and thus affect employee motivation.

The study carried out in this area is very comprehensive and has contributed to the understanding of this phenomenon. However, benefits and their relation to employee engagement are one of the fields that needs further research. Saks (2006) established a significant relationship between remuneration (as an antecedent) and employee participation. Rewards are two forms, i.e. monetary and non-monetary rewards have always remained a problem for monetary rewards, while Bhattacharya and Mukherjee (2009) proposed the role of non-financial rewards as an important precedent for employee engagement. The involvement of peers and the team is seen as a key player in many HR functions for interpersonal harmony and working families. It is the same as being a big contributor to employee engagement (Abdullah & Wan, 2013).

Many people are joining a company that provides non-monetary rewards that keep them motivated to do more than their desire to achieve. For this reason, many businesses are adopting incentive systems while considering them to be the most desirable schemes for encouraging and retaining the workforce. The findings also show that business organisations are spending a huge amount of money in motivational programmes and incentives to boost the productivity of employees and retain them in the company. On the whole, however, it can be seen that non-monetary incentives play a major role in raising the morale of the staff in any organisation.

Non-Monetary Rewards

Non-Monetary Benefits provides a cooperative atmosphere, flexible hours, employee appreciation programme, successful promotion initiatives, work satisfaction, career extension and job enrichment. Any benefit that the employee earns from the employer or from a position that is above and above the pay package (salary, healthcare, etc.) for the primary purpose of hiring workers and retaining and motivating workers. Non-financial motivators shall be included.

Status

Status means the assigning of ranks / positions within an organisation and means the status granted to an individual holding such a role through authority, obligation, perquisites, incentives, recognition and reputation.

Career Growth Opportunity

Employees should be given chances to develop their skills, such as supplying them with adequate training, so that they are well informed about changes in the business climate. They should also be promoted to higher ranks in order to fulfil their desire for recognition.

Security of the Job

Under this employee, the assurance is provided that the worker will retain his or her job without the risk of being unemployed. Employees would have continuity of jobs in terms of employment contracts, collective bargaining arrangements or labour legislation that prohibit unfair termination.

Employee's Participation

Job Enrichment

Employment enrichment is a term that entails redesigning jobs in a way that makes them more difficult for workers and requires less repetitive work. It gives an organisation more power and administrative access to carry out its tasks and responsibilities.

Job Enlargement

Job enlargement means increasing the scope of work by widening the number of duties and obligations that it includes and, in general, at the same level and periphery. Under this definition, the various tasks are merged at the same level and applied to the existing work.

Organizational Climate

Organizational culture is a framework that incorporates common assumptions, beliefs and values that control how individuals conduct themselves in an organisation. It also plays an important role in the retention of workers in an organisation.

Employee's Empowerment

Employee empowerment relates to the granting of some obligation and autonomy for decision-making to employees in relation to the unique duties assigned to them within the company.

Employee Recognition Programmes

Similar employee recognition programmes can be organised by the employer in order to identify the actions, contributions and accomplishments of the employee that will promote the ideals and goals of the organisation.

REVIEW OF LITERATURE

Employee involvement is the sum of the effort, employee passion for the company. Staff is willing to position their limitless energy irrespective of the obligations of their role and to take constructive action to improve the reputation of the organisation (Shahzad, 2013). In addition, employee engagement can be defined as employee participation, job satisfaction and the company's dedication to helping the company achieve better customer service through the creativity of the worker (Scott, et al., 2010). Employee engagement can therefore be defined as a high level of loyalty, commitment, work satisfaction and a high level of employee retention. A devoted employee likes his / her work and enjoys a career. They still feel proud of what they do and believe in the organisational contribution they make (Habib, 2013).

A sense of ownership and belonging creates a positive working environment where each employee is able to assist and accomplish organisational goals. Sharing tasks, working together, making extra effort on the part of the company and its staff, sharing knowledge and skills and many other positive attributes are strong on the part of employees who are engaged, as opposed to employees who are less engaged or not engaged (Macey & Schneider, 2008).

Monetary benefits are said to be one of the most cited explanations for the employee's involvement. Monetary benefits may be either in the form of stock options for employees or in the form of wage raises for encouraging employees. Pay-for-Performance has become a deep-rooted principle in organisations that has a powerful impact on workers' inspiration (Zani, et al., 2011).

Study by Biswas and Bhatnagar (2013) found that 67% of employees gave weight to their instant supervisor or boss's "commendation and appreciation" as the most effective incentive system tool. Robbins (2001) said that when the performance of employees is respected and valued and the company reasonably rewards employees, the performance of

employees will increase and the efficiency of the company will also increase in order to achieve its objectives, the encouragement of employees will inevitably lead employees to motivation.

In reality, non-monetary incentives are non-cash benefits offered by the organisation to attract and inspire them for their excellent work (Woodruffe, 2006). Non-monetary incentives are seen as more desirable than financial rewards, as they are highly valued from the point of view of gratitude and recognition for the success of workers (Aguinis, Joo, & Gottfredson, 2013). In addition to the claim, Nelson (1996) revealed that there is a clear correlation between non-monetary rewards and the participation of workers in work.

RESEARCH METHODOLOGY

Objectives of the Study

- To observe the effect of non-monetary rewards on employee's retention and motivation.
- To examine the effect of recognition on retention and motivation of employees.

Population and Sample

It gathers data from both primary and secondary sources. Primary data is obtained in the form of a questionnaire survey. As mentioned above, secondary data are obtained from a variety of references. Private companies compose the actual sample population. For this present study, 50 employees were randomly confiscated as samples. A self-structured questionnaire and interview was used to gather information from employees used for data collection exercises. In Cuddalore, Tamil Nadu, an attempt was made to examine the effect of non-monetary compensation on the productivity of workers and the motivation of private companies. The analysis is conducted using stratified sampling in which population strata are used are divided by gender, age, education, marital status, and service duration. A questionnaire was designed for data collection, keeping the research goals in mind.

DATA ANALYSIS AND INTERPRETATION

Table 1

Variables	Respondents	Percentage
Gender		
Male	26	52
Female	24	48
Total		100
Age		
21-30	18	36
31-40	14	28
41-50	10	20
51 above	08	16
Total		100
Marital Status		
Male	28	56
Female	22	44
Total		100
Educational Qualification		
Diploma	10	20
UG	22	44
PG	15	30
M.Phil/Ph.D	03	06

Table 1 (contd.,)		
Total		100
Length of Service		
0-5	10	20
6-10	17	34
11-15	13	26
16 above	10	20
Total		100

The respondent showing their age group found 36% of the respondent had mature between 21 to 30 years, 28% showed that they matured between 31 to 40 years, 20% displayed a maturity between 41 to 50, 20 % higher than the respondent showed that they had matured 51 years earlier than the respondent. Among the 50 surveyed employees 44 percent are UG qualification, 30 percent of employees are PG, 20 percent of employees are Diploma and remaining 6 percent are PhD / M.Phil with the present study. The research shows that the majority of the interviewees tended to be 52 percent male and 48 percent female. A 56% married and 44% unmarried respondent has their marital status. 34 % of the respondents have between 6 to 15 years, 26% are between 11 to 15 years, and 20% between 0 to 5 years and 16 years of service are registered.

Table 2: How Important are Non-Monetary rewards in Influencing Your Willingness to Exert More Efforts in Your Job?

S.No	Choices	Respondents	Percentage
1	Strongly Disagree	6	12
2	Disagree	4	8
3	Neutral	10	20
4	Agree	14	28
5	Strongly Agree	16	32
Total			100

The majority of the respondents 32% agreed strongly that non-monetary benefits are extremely important to influence their willingness to make more effort in jobs. 28% thought non-monetary benefits would have a positive impact on their motivation to work, and 12% disagreed strongly, but also disagreed.

Table 3: Does Job Security Motivate You for Higher Job Performance?

S.No	Choices	Respondents	Percentage
1	Strongly Disagree	0	0
2	Disagree	2	4
3	Neutral	12	24
4	Agree	20	40
5	Strongly Agree	16	32
Total			100

The majority (40%), followed by 32%, accepted that safety at work is a vital factor in higher work performance. However, a very small proportion (4%) of those surveyed were disagreeable and 24% of those who surveyed remained neutral.

Table 4: Is Positive Working Environment is Important for You to Perform Well in Your Job?

S.No	Choices	Respondents	Percentage
1	Strongly Disagree	8	16
2	Disagree	6	12
3	Neutral	5	10
4	Agree	18	36
5	Strongly Agree	13	26
Total			100

The results show that 36 % of respondents agreed that supportive environments play a key role and lead to better employee performance. The partnership involves peer-to - peer and boss-to-subordinate relationships. A pleasant atmosphere is important for deserved success. 16% of workers were extremely unhappy with the supportive working environment, but there was no partnership between management and workforce. The positive working environment is important to them.

Table 5: Does Gaining Respect from Others Motivates You to Perform Well in Your Job?

S.No	Choices	Respondents	Percentage
1	Strongly Disagree	1	2
2	Disagree	0	0
3	Neutral	6	12
4	Agree	23	46
5	Strongly Agree	20	40
Total			100

The results of the study shows that 46 % of the respondents have suggested that respect results in a high degree of motivation and 41.7% have strongly supported the statements.

Table 6: If You Will Receive Recognition, Will You be More Motivated and Perform Better?

S.No	Choices	Respondents	Percentage
1	Strongly Disagree	2	2
2	Disagree	4	8
3	Neutral	15	30
4	Agree	13	26
5	Strongly Agree	11	22
Total			100

The results of the study show that 30 % of respondents are neutral and suggest that they feel motivated and perform better in an organisation when recognised by the organising community.

Table 7: Does Promotion and Career Growth in the Company Plays a Key Role in Retaining You in the Company?

S.No	Choices	Respondents	Percentage
1	Strongly Disagree	8	16
2	Disagree	10	20
3	Neutral	13	26
4	Agree	10	20
5	Strongly Agree	9	18
Total			100

The results of the study depicted that 26 percent of the respondent Neutral with the view that advancement and career growth in the business plays a key role in keeping an employee in the company.

Table 8: If You will be Given More Autonomy at Work, will it Lead to Motivation?

S.No	Choices	Respondents	Percentage
1	Strongly Disagree	7	14
2	Disagree	5	10
3	Neutral	10	20
4	Agree	15	30
5	Strongly Agree	13	26
Total			100

The results of the study show that 30 % of respondents agreed that it would inspire them if they had more control at work.

Table 9: Do Varied Rewards are More Prevalent in the Larger Corporations as Compared to Small and Medium Enterprises?

S.No	Choices	Respondents	Percentage
1	Yes	41	82
2	Some what	6	12
3	No	3	6
Total			100

The results of the study indicated that 82 % of respondents accepted that the distribution of income in large companies is prevalent in contrast with small and medium-sized enterprises.

CONCLUSIONS

It can be concluded that a non-monetary incentive is the only way to attract employees because of financial constraints. Non-monetary benefits cover many facets of employees, such as social interaction in tours or picnics, development, autonomy on a daily basis, promotion, flexible hours, job security, etc. It is also critical that the organisation has an effective unit to determine the use and execution of non-monetary incentives and to assess which incentives most employees want. This will also allow the company to perform better than expected by its employees.

The activities of the company should be relevant. The company and its employees would benefit from this. The organisation would benefit from the fact that the operations are being carried out in good time which would help to save more money. The employees perform their duties on a regular basis and none of them is missing, because the tasks are significant. In addition, even though employees have spent several hours in this particular job, they would not get exhausted when working on interesting tasks. In addition, respect and gratitude must be extended to those employees who have been serving the organisation for a number of years to further inspire them. Employees should also be granted greater power and satisfaction over their daily lives. Consequently, this framework should be reduced and further power converted into lower management levels in order to enhance the operation. Jobs prefer to take on more tasks and more autonomy. Responsibilities have no meaning without the requisite control. An company should have a robust system of checks and balances in place. Feedback mechanisms for daily or weekly production should be appropriate. The organisation should pay the employees for their accomplishments.

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